

Siyancuma Municipality



Final Budget Report *2012-2013*

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Adjustment Budgets	Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.
Allocations	Money received from Provincial and National Treasury.
Budget	The financial plan of a municipality
Budget Related Policy	Policy of a municipality affecting or affected by the budget. Examples include tariff policy, rates policy and credit control and debt policy.
Budget Steering Committee	Committee established to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA.
Capital Expenditure	Spending on Municipal Assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.
Cash Flow Statement	A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.
CPI	Headline Consumer Price Index
DMTN	Domestic Medium Term Note
DORA	Division of Revenue Act. Annual legislation which shows the allocations from national to local government.
DORB	Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.
Executive Management Team	A team consisting of the Municipal Manager and the Executive Directors and Chief Audit Executive reporting to the Municipal Manager.
Equitable Share	A general grant paid to municipalities. It is predominantly targeted to assist municipalities with the costs of free basic services.
GDFI	Gross Domestic Fixed Investment

GFS	Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.
IDP	Integrated Development Plan. The main strategic planning document of a municipality.
KPI	Key Performance Indicators. Measures of output and/or outcome.
MAYCO	Mayoral committee
MFMA	Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.
MTREF	Medium Term Revenue and Expenditure Framework as prescribed by the MFMA set out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level thereof. It effectively represents a municipality's medium term financial plan.
MYPD	Multi Year Price Determination
NT	National Treasury
Operating Expenditure	Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.
Portfolio Committee	Section 79 of the Structures Act dictates that a municipal council may (a) establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and (b) appoint the members of such a committee from among its members. Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. This oversight function is further enhanced by the Portfolio Committee's responsibility of assessing and monitoring the performance of services delivery which inter alia includes ensuring that the annual budgets of the municipality's departments are spent wisely and that there is no wastage or corruption.
PT	Provincial Treasury
Rates	Local Government tax based on assessed valuation of a property.
TMA	Total Municipal Account

SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
SFA	Strategic Focus Areas: The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these strategic focus areas.
Sub councils	The municipal area governed by the Siyancuma Municipality is divided into sub councils, each of which is made up of a number of wards. There are a total of wards, each of which is represented by a councilor. A ward is in turn made up of a number of suburbs.
Vote	One of the main segments into which a budget is divided, usually at directorate level.

2012/2013 BUDGET RESOLUTIONS

1. Recommended that the annual budget of the municipality for the financial year 2012/2013; and indicative allocations for the two projected outer years 2013/2014 and 2014/2015 and related policies be noted, as set out in the following schedules and annexures of Annexure A to this report:
 - a. Operating revenue by source reflected in Table 36.
 - b. Operating expenditure by vote reflected in Table 3.
 - c. Operating expenditure by GFS classification reflected in Table 2.
 - d. Multi-year capital appropriations by vote reflected in Table 35 and Annexure 1.
 - e. Capital expenditure by GFS classification reflected in Table 5.
 - f. Cash funding by source reflected in Table 5.
 - g. Cash Flow statement as reflected in Table 7.
 - h. Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as reflected in Table 27 and Table 28.
 - i. Grants, Subsidies and Contributions to external entities in 2012/2013 as set out in Annexure 18.
 - j. Income Performance Indicators for 2012/2013 as set out in Table 12.
 - k. Assessment (property) rates as set out in Annexure 3.
 - l. Special Rating Areas/Municipality Improvement District Levies and Budgets for 2012/2013 as set out in Annexure 4.
 - m. Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Services, Water Services and Waste Management Services as set out in Annexure 5.
 - n. Tariffs, Fees and Charges Book incorporating miscellaneous tariffs, charges, rates and levies for 2012/2013 as set out in Annexure 6.
 - o. The Draft Rates Policy as set out in Annexure 7.
 - p. The Draft Tariff Policies as set out in Annexure 8.
 - q. Draft Credit Control and debt Collection Policy as set out in Annexure 9.
 - r. Draft Policy for the Allocation of Grant-In-Aid as set out in Annexure 10.
 - s. Integrated Development Plan as set out in Annexure 11.
 - t. Mayor's Special Fund as set out in Annexure 13.
 - u. Budgets for Municipal Entities reflected in Table 30 to Table 33.
 - v. Budgeted Financial Performance (revenue and expenditure) per directorate and department as per Annexure 19.
 - w. Operating and Capital ward allocation projects approved by Sub councils as set out in Annexure 20.
 - x. The Draft Funding and Reserves Policy as set out in Annexure 22.
2. Service Delivery Plans/Business Plans with measurable targets be approved by the Executive Mayor in June 2012 following approval of the Budget.
3. Unspent conditional grant allocations (National) as at the end of the 2011/2012 financial year and appropriated or voted to 2012/2013 and future years not be committed to expenditure until approval thereof is obtained from National Treasury, per directive of Budget Circular 38 (2009) and Circular 52 (2010).
4. Further ward allocation projects will be identified and approved by sub councils towards the end of April and will be included in the budget for approval at the May 2012 Council Meeting.
5. The National Treasury Circular 51 ("Municipal Budget Circular for the 2011/2012 MTREF") is annexed to this report for noting.

2. ANNUAL BUDGET TABLES

The Budget schedules to be approved by resolution of Council: Table A1 – Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Financial Performance</u>										
Property rates	4 119 27	4 847 32	5 671 40	6 258	6 380	–	–	22 408	24 123	25 812
Service charges	196	732	378	35 805	257	–	–	43 126	46 144	49 375
Investment revenue	162 15	355 22	200 25	260	260	–	–	260 29	260 33	260 36
Transfers recognised - operational	738	993	845	34 004	– 67	–	–	294	466	239
Other own revenue	1 885	1 341	1 501	67 061	612	–	–	763	821	880
Total Revenue (excluding capital transfers and contributions)	49 100	62 268	73 595	143 388	112 509	–	–	95 852	104 815	112 566
Employee costs	19 470	20 153	25 320	27 562	26 263	–	–	35 058	36 810	45 642
Remuneration of councillors	2 064	1 960	1 760	1 934	1 934	–	–	2 615	2 746 12	2 938 13
Depreciation & asset impairment	–	5 508	–	6 664	646	–	–	9 745	624	318
Finance charges	1 947	1 998 10	2 528 16	267	280 21	–	–	450 24	473 25	563 30
Materials and bulk purchases	9 556	594	940	21 870	870	–	–	225	436	523
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	5 347	14 358	23 975	60 280	57 749	–	–	31 195	32 760	35 499
Total Expenditure	38 384	54 571	70 523	118 577	116 742	–	–	103 289	110 849	128 483
Surplus/(Deficit)	10 716	7 697	3 072	24 811	(4) 233	–	–	(7) 437	(6) 035	(15) 917
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	24 622	26 527	–	–	–	–	–

Surplus/(Deficit) after capital transfers & contributions	10 716	7 697	3 072	49 433	22 294	-	-	(7 437)	(6 035)	(15 917)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	10 716	7 697	3 072	49 433	22 294	-	-	(7 437)	(6 035)	(15 917)
Capital expenditure & funds sources										
Capital expenditure	19 907	-	16 033	21 824	23 599	-	-	26 575	22 776	25 020
Transfers recognised - capital	19 906	-	16 033	19 874	19 874	-	-	26 113	22 776	25 020
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	1 410	315	-	-	-	-	-
Internally generated funds	-	-	-	410	410	-	-	462	-	-
Total sources of capital funds	19 906	-	16 033	21 694	23 599	-	-	26 575	22 776	25 020
Financial position										
Total current assets	5 155 114	17 970	18 867	20 908	11 269	-	-	4 500 11	4 850 11	-
Total non current assets	579	974	273	364 971	781	-	-	050	100	-
Total current liabilities	14 133	15 810	16 051	20 621	29 262	-	-	6 320	6 440	-
Total non current liabilities	6 707 98	6 823 121	7 164 127	11 580	616	-	-	8 025	8 426	9 016
Community wealth/Equity	895	311	925	145 442	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	-	(28 845)	10 000	36 718	16 085	-	-	(19 398)	(16 794)	(27 788)
Net cash from (used) investing	-	(10)	-	(22 294)	(23 959)	-	-	-	-	-
Net cash from (used) financing	-	(125)	(190)	(717)	(61)	-	-	-	-	-
Cash/cash equivalents at the year end	(2 502)	(31 482)	(21 672)	50 140	(7 935)	-	-	(19 398)	(36 192)	(63 980)
Cash backing/surplus reconciliation										
Cash and investments available	(2 502)	6 613 (3)	6 943	7 290	-	-	-	-	-	-
Application of cash and investments	5 882	694	(878)	8 342	15 762	-	-	(2 270)	(2 436)	-

Balance - surplus (shortfall)	(8 384)	10 307	7 821	(1 052)	(15 762)	-	-	2 270	2 436	-
Asset management										
Asset register summary (WDV)	-	-	-	10 973	11 000 8	-	11 050	11 050	11 100 12	- 13
Depreciation & asset impairment	-	5 508	-	6 664	646	-	9 745	9 745 26	624 22	318 25
Renewal of Existing Assets	-	-	-	-	-	-	-	455	913	150
Repairs and Maintenance	-	-	4 215	7 866	-	-	7 435	7 435	7 808	8 355
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Table 1: Budget Summary (Table A1)

**The 2007/08 and 2008/09 audited outcomes iro the capital budget excludes adjustments which are not made on our financial system*

Table A2 – Budgeted Financial Performance (Revenue and Expenditure by standard classification)

Table 2: Budgeted Financial Performance (Revenue and Expenditure by standard classification) (Table A2)

Standard Classification Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard										
<i>Governance and administration</i>		21 118	–	35 141	35 901	42 905	–	46 916	52 527	56 804
Executive and council		20 558	–	–	774	999	–	1 400	1 771	2 080
Budget and treasury office		445	–	34 866	34 843	40 181	–	45 083	50 293	54 227
Corporate services		115	–	275	284	1 725	–	433	464	496
<i>Community and public safety</i>		28	8	251	183	876	–	152	164	176
Community and social services		24	–	33	34	531	–	31	36	39
Sport and recreation		4	–	191	149	149	–	120	128	137
Public safety		–	–	–	–	195	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	8	27	–	1	–	1	–	–
<i>Economic and environmental services</i>		489	–	–	2 097	2 157	–	4 600	4 968	5 365
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		489	–	–	2 097	2 157	–	4 600	4 968	5 365
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		27 196	–	40 391	65 606	65 312	–	76 714	76 594	82 622
Electricity		15 089	–	24 409	24 022	23 201	–	25 404	27 540	30 398
Water		6 088	–	7 892	29 144	28 953	–	36 873	33 794	35 896
Waste water management		3 308	–	4 447	6 206	6 788	–	7 645	7 991	8 551
Waste management		2 711	–	3 643	6 234	6 370	–	6 793	7 268	7 777
<i>Other</i>	4	260	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	49 091	8	75 783	787	250	–	383	253	967
Expenditure - Standard	-									
<i>Governance and administration</i>		25 684	–	35 229	39 991	43 200	–	50 911	53 473	56 966
Executive and council		19 378	–	5 528	5 261	5 981	–	6 531	6 771	7 226
Budget and treasury office		5 969	–	19 975	24 417	25 221	–	30 111	31 652	33 670
Corporate services		337	–	9 726	10 313	11 998	–	14 268	15 050	16 070
<i>Community and public safety</i>		2 204	–	3 742	6 069	5 705	–	5 006	5 261	6 285
Community and social services		1 221	–	1 905	2 235	1 755	–	1 600	1 680	1 797
Sport and recreation		857	–	1 388	3 016	3 111	–	2 528	2 654	3 493
Public safety		14	–	87	582	839	–	552	579	620

Housing		-	-	-	-	-	-	-	-	-
Health		112	-	362	236	-	-	326	348	374
Economic and environmental services		3 748	-	3 744	8 896	11 057	-	12 399	12 756	13 508
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		3 748	-	3 744	8 896	11 057	-	12 399	12 756	13 508
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		18 481	-	28 304	70 412	67 460	-	84 305	83 741	93 657
Electricity		11 369	-	19 440	34 590	32 473	-	31 646	33 598	40 177
Water		2 256	-	2 090	24 187	23 221	-	31 640	28 072	29 840
Waste water management		2 773	-	3 729	6 680	6 923	-	8 631	9 064	9 722
Waste management		2 083	-	3 045	4 955	4 843	-	12 388	13 007	13 918
Other	4	1 100	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	51 217	-	71 019	368	422	-	619	231	415
Surplus/(Deficit) for the year		(2	8	4 764	(21	(16	-	(24	(20	(25
		126)			581)	172)		237)	978)	449)

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		20 353	–	–	–	–	–	–	–	–
Vote 2 - COUNCIL		205	–	–	744	999	–	1 400	1 771	2 080
Vote 3 - CORPORATE SERVICES		–	–	155	677	–	–	213	228	244
Vote 4 - FINANCE		445	–	34 866	38 604	38 731	–	43 583	48 543	52 477
Vote 5 - INTERNS		–	–	–	1 450	1 450	–	1 500	1 750	1 750
Vote 6 - PROPERTIES		115	–	120	137	221	–	90	96	103
Vote 7 - COMMUNITY SERVICES		32	–	60	67	532	–	163	175	188
Vote 8 - TRAFFIC		489	–	–	1 877	1 072	–	4 600	4 968	5 365
Vote 9 - HOLIDAY RESORT		264	–	191	149	149	–	120	128	137
Vote 10 - SEWERAGE AND SANITATION		3 308	–	4 447	6 206	6 788	–	7 645	7 991	8 551
Vote 11 - DISASTER MANAGEMENT		–	–	–	–	195	–	–	–	–
Vote 12 - CLEANSING		2 711	–	3 643	6 234	6 370	–	6 793	7 268	7 777
Vote 13 - PUBLIC WORKS ROADS		–	–	–	220	1 085	–	–	–	–
Vote 14 - ELECTRICITY		15 089	–	26 142	24 022	23 201	–	25 404	27 540	30 398
Vote 15 - WATER		6 088	–	7 892	29 144	28 953	–	36 873	33 794	35 896
Total Revenue by Vote	2	49 099	–	77 516	109 531	109 746	–	128 383	134 253	144 966
Expenditure by Vote to be appropriated	1									
Vote 1 - MUNICIPAL MANAGER		–	–	–	2 479	2 685	–	2 627	2 759	2 952
Vote 2 - COUNCIL		19 378	–	3 144	2 782	3 296	–	3 903	4 013	4 274
Vote 3 - CORPORATE SERVICES		–	–	11 107	8 057	10 076	–	12 284	12 898	13 750
Vote 4 - FINANCE		5 969	–	19 975	23 292	23 771	–	28 611	30 042	31 944
Vote 5 - INTERNS		–	–	–	1 125	1 450	–	1 500	1 610	1 726
Vote 6 - PROPERTIES		716	–	1 003	1 693	1 603	–	1 665	1 754	1 865
Vote 7 - COMMUNITY SERVICES		954	–	1 286	1 643	2 366	–	2 245	2 426	2 626
Vote 8 - TRAFFIC		225	–	–	1 961	1 500	–	2 072	1 913	2 034
Vote 9 - HOLIDAY RESORT		1 957	–	2 369	3 016	3 111	–	2 528	2 654	3 493
Vote 10 - SEWERAGE AND SANITATION		2 773	–	3 729	6 680	6 923	–	8 631	9 064	9 722
Vote 11 - DISASTER MANAGEMENT		14	–	87	352	547	–	552	579	620
Vote 12 - CLEANSING		2 083	–	3 045	4 955	4 843	–	12 388	13 007	13 918
Vote 13 - PUBLIC WORKS ROADS		3 523	–	3 744	6 935	9 557	–	10 327	10 843	11 475

Vote 14 - ELECTRICITY		11 369	–	19 440	34 590	32 473	–	31 646	33 598	40 177
Vote 15 - WATER		2 256	–	2 090	24 187	23 221	–	31 640	28 072	29 840
Total Expenditure by Vote	2	51 217	–	71 019	747	422	–	619	231	415
Surplus/(Deficit) for the year	2	(2 118)	–	6 497	(14 216)	(17 676)	–	(24 237)	(20 978)	(25 449)

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

Table 3: Budgeted Financial Performance (Revenue and Expenditure by municipal vote) (Table A3)

Table A4 – Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates	2	4 119	4 847	5 671	6 258	6 380	–	–	7 556	8 231	8 807
Property rates - penalties & collection charges									14 853	15 892	17 005
Service charges - electricity revenue	2	15 089	19 239	24 409	17 419	18 728	–	–	23 354	24 989	26 738
Service charges - water revenue	2	6 088	6 401	7 879	9 962	9 988	–	–	10 454	11 186	11 969
Service charges - sanitation revenue	2	3 308	3 866	4 447	4 279	5 260	–	–	4 716	5 046	5 399
Service charges - refuse revenue	2	2 711	3 226	3 643	4 145	4 281	–	–	4 602	4 924	5 269
Service charges - other											
Rental of facilities and equipment			309	302	134	219			90	96	103
Interest earned - external investments		162	355	200	260	260			260	260	260
Interest earned - outstanding debtors		232	301	262	370	370			370	400	430
Dividends received											
Fines			109	38	36	5			–	–	–
Licences and permits			615	610	610	241			241	258	276

Agency services			7	–	12				–	–	–
Transfers recognised - operational		15 738	22 993	25 845	34 004				29 294	33 466	36 239
Other revenue	2	1 653	–	289	65 899	66 777	–	–	62	67	72
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		49 100	62 268	73 595	143 388	112 509	–	–	95 852	104 815	112 566
Expenditure By Type											
Employee related costs	- 2	19 470	20 153	25 320	27 562	26 263	–	–	35 058	36 810	45 642
Remuneration of councillors		2 064	1 960	1 760	1 934	1 934			2 615	2 746	2 938
Debt impairment	3	5 347	1 572	6 300	6 300	8 000			8 000	8 400	8 820
Depreciation & asset impairment	2	–	5 508	–	6 664	8 646	–	–	9 745	12 624	13 318
Finance charges		1 947	1 998	2 528	267	280			450	473	563
Bulk purchases	2	9 556	10 594	16 940	21 870	21 870	–	–	24 225	25 436	30 523
Other materials	8										
Contracted services		–	735	2 177	1 152	1 152	–	–	3 107	3 262	3 490
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	–	12 051	15 498	52 828	48 597	–	–	20 089	21 098	23 189
Loss on disposal of PPE											
Total Expenditure		38 384	54 571	70 523	118 577	116 742	–	–	103 289	110 849	128 483
Surplus/(Deficit)		10 716	7 697	3 072	24 811	(4 233)	–	–	(7 437)	(6 035)	(15 917)
Transfers recognised - capital											
Contributions recognised - capital	6	–	–	–	24 622	26 527	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		10 716	7 697	3 072	49 433	22 294	–	–	(7 437)	(6 035)	(15 917)
Taxation											
Surplus/(Deficit) after taxation		10 716	7 697	3 072	49 433	22 294	–	–	(7 437)	(6 035)	(15 917)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		10 716	7 697	3 072	49 433	22 294	–	–	(7 437)	(6 035)	(15 917)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		10 716	7 697	3 072	49 433	22 294	–	–	(7 437)	(6 035)	(15 917)

References

1. Classifications are revenue sources and expenditure type

2. Detail to be provided in Table SA1

3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment

4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs

5. Repairs & maintenance detailed in Table A9 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method

8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.

Table 4: Budgeted Financial Performance (Revenue and Expenditure) (Table A4)

Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table 5: Budgeted Capital Expenditure by vote, standard classification and funding (Table A5)

Vote Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Capital expenditure - Vote</u>	2										
<u>Multi-year expenditure to be appropriated</u>											
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	82	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	250	-	-
Vote 4 - FINANCE		-	-	-	-	-	-	-	130	137	130
Vote 5 - INTERNS		-	-	-	-	-	-	-	-	-	-
Vote 6 - PROPERTIES		1 357	-	-	-	-	-	-	-	-	-
Vote 7 - COMMUNITY SERVICES		120	-	-	-	-	-	-	-	-	-
Vote 8 - TRAFFIC		-	-	-	-	-	-	-	-	-	-
Vote 9 - HOLIDAY RESORT		255	-	-	-	-	-	-	-	-	-
Vote 10 - SEWERAGE AND SANITATION		18 174	-	-	-	-	-	-	-	-	-
Vote 11 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 12 - CLEANSING		-	-	-	-	-	-	-	-	-	-
Vote 13 - PUBLIC WORKS ROADS		-	-	-	-	-	-	-	-	-	-
Vote 14 - ELECTRICITY		-	-	-	-	-	-	-	-	3 600	-
Vote 15 - WATER		-	-	-	18 201	-	-	-	-	73 909	-
Capital multi-year expenditure sub-total	7	19 906	-	-	18 201	-	-	-	462	77 646	130

Single-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - FINANCE		-	-	-	-	-	-	-	-	-	-
Vote 5 - INTERNS		-	-	-	-	-	-	-	-	-	-
Vote 6 - PROPERTIES		-	-	-	-	-	-	-	-	-	-
Vote 7 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - TRAFFIC		-	-	-	-	-	-	-	-	-	-
Vote 9 - HOLIDAY RESORT		-	-	-	-	-	-	-	-	-	-
Vote 10 - SEWERAGE AND SANITATION		-	-	-	-	-	-	-	-	-	-
Vote 11 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 12 - CLEANSING		-	-	-	-	-	-	-	-	-	-
Vote 13 - PUBLIC WORKS ROADS		-	-	-	-	-	-	-	-	-	-
Vote 14 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 15 - WATER		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		19 906	-	-	18 201	-	-	-	462	77 646	130
Capital Expenditure - Standard											
<i>Governance and administration</i>		-	-	-	920	1 394	-	-	212	137	130
Executive and council					-	225			82		
Budget and treasury office					130	218			130	137	130
Corporate services					790	951				-	-
<i>Community and public safety</i>		1 733	-	-	370	853	-	-	-	-	-
Community and social services		1 478			370	658					
Sport and recreation		255									
Public safety					-	195					
Housing											
Health											
<i>Economic and environmental services</i>		-	-	-	220	1 148	-	-	-	-	-
Planning and development											
Road transport					220	1 148					
Environmental protection											
<i>Trading services</i>		18 174	-	16 033	20 314	20 204	-	-	26 113	22 639	24 890
Electricity				1 733	2 964	3 118			600	1 000	2 000
Water				14 300	17 130	16 910			25 513	21 639	22 890
Waste water management					220	176					
Waste management		18 174									

<i>Other</i>									250		
Total Capital Expenditure - Standard	3	19 907	–	16 033	21 824	23 599	–	–	26 575	22 776	25 020
Funded by:											
National Government		19 906		16 033	19 874	19 874			26 113	22 776	25 020
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	19 906	–	16 033	19 874	19 874	–	–	26 113	22 776	25 020
Public contributions & donations	5										
Borrowing	6				1 410	3 315					
Internally generated funds					410	410			462		
Total Capital Funding	7	19 906	–	16 033	21 694	23 599	–	–	26 575	22 776	25 020

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by standard classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
7. Total Capital Funding must balance with Total Capital Expenditure
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

Table A6 – Budgeted Financial Position

Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
ASSETS											
Current assets											
Cash											
Call investment deposits	1	56	6 613	6 943	7 290	–	–	–	–	–	–
Consumer debtors	1	939	5 016	5 266	9 722	7 119	–	–	–	–	–
Other debtors		4 160	6 341	6 658	3 796	4 000			4 200	4 500	
Current portion of long-term receivables											
Inventory	2				100	150			300	350	
Total current assets		5 155	17 970	18 867	20 908	11 269	–	–	4 500	4 850	–
Non current assets											
Long-term receivables			10	11	11						
Investments											
Investment property					9 982	9 982			9 982	9 982	
Investment in Associate											
Property, plant and equipment	3	114 579	125 964	132 262	353 987	358 781	–	–	–	–	–
Agricultural											
Biological					468	468			468	468	
Intangible					523	550			600	650	
Other non-current assets											
Total non current assets		114 579	125 974	132 273	364 971	369 781	–	–	11 050	11 100	–
TOTAL ASSETS		119 734	143 944	151 140	385 879	381 050	–	–	15 550	15 950	–
LIABILITIES											
Current liabilities											
Bank overdraft	1	2 558	–	–	–						
Borrowing	4	132	150	158	637	1 000	–	–	–	–	–
Consumer deposits		166	173	181	184	200			220	240	
Trade and other payables	4	8 357	13 202	13 862	16 312	22 800	–	–	–	–	–
Provisions		2 920	2 285	1 850	3 488	5 262			6 100	6 200	
Total current liabilities		14 133	15 810	16 051	20 621	29 262	–	–	6 320	6 440	–

Non current liabilities											
Borrowing		672	522	548	2 358	3 116	-	-	1 500	1 575	1 685
Provisions		6 035	6 301	6 616	9 222	9 500	-	-	6 525	6 851	7 330
Total non current liabilities		6 707	6 823	7 164	11 580	12 616	-	-	8 025	8 426	9 016
TOTAL LIABILITIES		20 840	22 633	23 215	32 201	41 878	-	-	14 345	14 866	9 016
NET ASSETS	5	98 894	121 311	127 925	353 678	339 172	-	-	1 205	1 084	(9 016)
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		98 895	121 311	127 925	145 442						
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	98 895	121 311	127 925	145 442	-	-	-	-	-	-

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

Table 6: Budgeted Financial Position (Table A6)

Table A7 – Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other			47 435	46 000	42 207	42 779			35 829	38 484	41 177
Government - operating	1			30 000	56 936	57 436			393	421	451
Government - capital	1			16 000	24 312				29 294	33 466	36 239
Interest			657	1 000	630	260			630	660	690
Dividends											
Payments											
Suppliers and employees			(47 448)	(77 000)	(84 100)	(84 100)			(85 094)	(89 352)	(105 782)
Finance charges			(1)	(1)							

			998 (27 491)	000) (5 000)	(267) (3 000)	(280) (10)			(450)	(473)	(563)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	(28 845)	10 000	36 718	16 085	–	–	(19 398)	(16 794)	(27 788)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables			(10)		(600)						
Decrease (increase) in non-current investments											
Payments											
Capital assets					(21 694)	(23 959)					
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(10)	–	(22 294)	(23 959)	–	–	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing					1 630	3 057					
Increase (decrease) in consumer deposits			7	10	11						
Payments											
Repayment of borrowing			(132)	(200)	(2 358)	(3 118)					
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(125)	(190)	(717)	(61)	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		–	(28 980)	9 810	13 707	(7 935)	–	–	(19 398)	(16 794)	(27 788)
Cash/cash equivalents at the year begin:	2	(2 502)	(2 502)	(31 482)	(36 433)			–		(19 398)	(36 192)
Cash/cash equivalents at the year end:	2	(2 502)	(31 482)	(21 672)	(7 935)		–	–	(19 398)	(36 192)	(63 980)

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

Table 7: Budgeted Cash Flows (Table A7)

Table A8 – Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	(2 502)	(31 482)	(21 672)	50 140 (42)	(7 935)	–	–	(19 398)	(36 192)	(63 980)
Other current investments > 90 days		–	38 095	28 615	850)	7 935	–	–	19 398	36 192	63 980
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		(2 502)	6 613	6 943	7 290	–	–	–	–	–	–
<u>Application of cash and investments</u>											
Unspent conditional transfers		3 797	6 880	7 224	9 950	16 000	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	2 085	(10 574)	(8 102)	(1 608)	(238)	–	–	(2 270)	(2 436)	–
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		5 882	(3 694)	(878)	8 342	15 762	–	–	(2 270)	(2 436)	–
Surplus(shortfall)		(8 384)	10 307	7 821	(1 052)	(15 762)	–	–	2 270	2 436	–

Table 8: Cash backed reserves/accumulated surplus reconciliation (Table A8)

Table A9 – Asset Management

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	16 033	21 694	23 599	-	26 455	22 913	25 150
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	1 733	2 964	2 964	-	600	1 000	2 000
Infrastructure - Water		-	-	14 300	16 910	16 910	-	25 513	21 639	22 890
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	16 033	19 874	19 874	-	26 113	22 639	24 890
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1 820	3 725	-	342	274	260
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	26 455	22 913	25 150
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	600	1 000	2 000
Infrastructure - Water		-	-	-	-	-	-	25 513	21 639	22 890
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	26 113	22 639	24 890
Community	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	342	274	260
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4									

<i>Infrastructure - Road transport</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Electricity</i>		-	-	1 733	2 964	2 964	-	1 200	2 000	4 000
<i>Infrastructure - Water</i>		-	-	14 300	16 910	16 910	-	51 026	43 278	45 780
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	16 033	19 874	19 874	-	52 226	45 278	49 780
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	1 820	3 725	-	684	547	520
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	16 033	21 694	23 599	-	52 910	45 825	50 300
ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Infrastructure - Road transport</i>										
<i>Infrastructure - Electricity</i>										
<i>Infrastructure - Water</i>										
<i>Infrastructure - Sanitation</i>										
<i>Infrastructure - Other</i>										
Infrastructure		-	-	-	-	-	-	-	-	-
Community										
Heritage assets										
Investment properties		-	-	-	9 982	9 982	-	9 982	9 982	-
Other assets										
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	468	468	-	468	468	-
Intangibles		-	-	-	523	550	-	600	650	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	10 973	11 000	-	11 050	11 100	-
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		-	5 508	-	6 664	8 646	-	9 745	12 624	13 318
<u>Repairs and Maintenance by Asset Class</u>	3	-	-	4 215	7 866	-	-	7 435	7 808	8 355
<i>Infrastructure - Road transport</i>		-	-	-	-	-	-	1 910	2 006	2 146
<i>Infrastructure - Electricity</i>		-	-	1 072	2 815	-	-	1 188	1 247	1 335
<i>Infrastructure - Water</i>		-	-	1 167	1 448	-	-	1 276	1 339	1 433
<i>Infrastructure - Sanitation</i>		-	-	537	920	-	-	650	684	732
<i>Infrastructure - Other</i>		-	-	-	-	-	-	241	253	271

Infrastructure		-	-	2 776	5 183	-	-	5 265	5 529	5 916
Community		-	-	1 090	1 936	-	-	1 101	1 157	1 238
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	349	747	-	-	1 069	1 122	1 201
TOTAL EXPENDITURE OTHER ITEMS		-	5 508	4 215	14 530	8 646	-	17 180	20 432	21 672
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	50.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	271.5%	181.5%	188.8%
<i>R&M as a % of PPE</i>		0.0%	0.0%	3.2%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and R&M as a % of PPE</i>		0.0%	0.0%	0.0%	72.0%	0.0%	0.0%	307.0%	277.0%	0.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category
7. Including repairs and maintenance to agricultural, biological and intangible assets

Table 9: Asset Management (Table A9)

Table A10 – Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Energy:</u>										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										

Other energy sources									
<i>Below Minimum Service Level sub-total</i>									
Total number of households	5	-	-	-	-	-	-	-	-
<u>Refuse:</u>									
Removed at least once a week									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal									
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-
<u>Households receiving Free Basic Service</u>	7								
Water (6 kilolitres per household per month)									
Sanitation (free minimum level service)									
Electricity/other energy (50kwh per household per month)									
Refuse (removed at least once a week)									
<u>Cost of Free Basic Services provided (R'000)</u>	8								
Water (6 kilolitres per household per month)									
Sanitation (free sanitation service)									
Electricity/other energy (50kwh per household per month)									
Refuse (removed once a week)									
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-
<u>Highest level of free service provided</u>									
Property rates (R value threshold)									
Water (kilolitres per household per month)									
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)									
Electricity (kwh per household per month)									
Refuse (average litres per week)									
<u>Revenue cost of free services provided (R'000)</u>	9								
Property rates (R15 000 threshold rebate)									

Property rates (other exemptions, reductions and rebates)	6									
Water										
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)			-	-	-	-	-	-	-	-

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

Table 10 Basic Service Delivery Measurement (Table A10)

3. OVERVIEWS OF ANNUAL BUDGET PROCESS

a. Budget Process Overview (including consultation process and outcomes)

In terms of Section 24 of the MFMA, Council must at least 30 days before the start of the financial year consider approval of the annual budget. Section 53, requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazette on 17 April 2009, states that the mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

Comments from the above process will be submitted to the Budget Steering Committee before Council considers the Budget for adoption in June 2012.

b. Process used to integrate the review of the IDP and preparation of the Budget

The Municipality's IDP is its principal strategic planning instrument, which guides and informs its ongoing planning, management and development actions. The IDP represents the Municipality's commitment to the exercise of its executive authority (except in cases where it is in conflict with national or provincial legislation, in which case such legislation prevails) and is effectively the local government's blueprint by which it strives to realize its vision for Siyancuma over the short- medium- and long term.

The municipality's visionary framework is rolled out into objectives, key performance indicators (KPI's) and targets for implementation. These are then broken into Service Delivery and Budget Implementation Plans (SDBIP's) that reflect the detailed projects. Each of these projects is allocated budgetary and other resources.

The IDP also informs the Municipality's performance management system, as the KPI's are monitored and must be reported on every quarter.

c. Schedule of Key Deadlines relation to budget process [MFMA s 21(1)(b)]

The IDP and Budget time schedule of the 2011/2012 budget cycle was approved by Council on 31 March 2011. The table below reflects the IDP and budget time schedule.

Special Council Meeting: 29 March 2012

Budget and IDP Key deadlines

By 30 November 2011	Revise the IDP Workshop with heads of department Ask inputs from the community
By 31 January 2012	Budget for salaries and wages Identify capital projects from the IDP
By 28 February 2012	Compile draft budget Set preliminary tariffs Review budget related policies Compile draft IDP Make cash flow projections Prepare and send Treasury questionnaires
By 31 March 2012	Table the draft budget Table the draft IDP
By 30 April 2012	Finalize the community participation process Consider Treasury and other input/ objections Finalize the PMS (Measurable Performance Objectives Compile the SDBIP
By 31 May 2012	Table the budget for adoption Table the SDBIP to be noted by council Adopt the budget Adopt the IDP Adopt amendments to budget related policies Mayor approved SDBIP
By 30 June 2012	All performance management contracts completed and signed Prepare and send Treasury questionnaires

Community participation

Through:

Advertisements in the local newsletter

Community meetings after council meetings in all three towns

Community budget meetings in all three towns

Ward committee meetings through the year

Open door policy

4. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

a. The Vision of Siyancuma Municipality

The Municipality's long term vision and mission:

Vision

A sustainable and economically viable community where residents enjoy a high quality of life.

Mission

- To economically and socially develop and empower the community, through transparent, accountable and democratic governance and by utilizing all available resources and human skills.

b. The 5-Year IDP and Strategic Focus Areas

On 1 July 2010, the Municipality implemented a new five-year Integrated Development Plan (IDP) for the period July 2010 to June 2015 to inform and guide the current elected public representatives' in their term of office. The annually reviewed IDP outlines the intent of the Municipality in terms of the eight strategic focus areas, which it has agreed are required to overcome the challenges it is facing, achieve its vision, and implement its other strategic considerations.

These eight strategic focus areas form the framework of the five-year IDP and function as internal strategic levers to facilitate shared growth and development and enhance urban efficiency and institutional effectiveness. The way in which the Municipality's vision is supported by the eight strategic focus areas is shown in the figure below:

VISIONARY GOALS:

- a) A prosperous municipality
- b) Effective and equitable service delivery
- c) A well-governed and efficiently run administration

STRATEGIC FOCUS AREAS:

1. Shared economic growth and development
2. Sustainable urban infrastructure and services
3. Energy efficiency for a sustainable future
4. Public transport systems
5. Integrated human settlements
6. Safety and security
7. Health, social and community development
8. Good governance and regulatory reform

URBAN EFFICIENCY

INSTITUTIONAL EFFECTIVENESS

5. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

a. Key financial indicators and ratios

NC077 Siyancuma - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<u>Borrowing Management</u>											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0.0%	0.6%	0.4%	0.4%	0.4%	0.0%	0.0%	0.6%	0.3%	0.3%
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	5.1%	3.7%	3.8%	3.8%	0.0%	0.0%	-0.3%	-0.2%	-0.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-20.5%	0.0%	0.0%
<u>Safety of Capital</u>											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	-17.1%	21.1%	18.7%	18.1%	18.1%	0.0%	0.0%	16.8%	15.0%	11.8%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.2	0.4	1.1	1.2	1.2	-	-	1.2	1.2	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.2	0.4	1.1	1.2	1.2	-	-	1.2	1.2	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	1.2	0.0	0.4	0.4	0.4	-	-	0.4	0.4	0.6
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	122.8%	122.8%	122.8%	122.8%	0.0%	98.6%	97.8%

Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	10.4%	18.3%	16.2%	16.2%	0.0%	0.0%	15.6%	14.6%	15.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Funding of Provisions											
Provisions not funded - %	Unfunded Provns./Total Provisions										
Other Indicators											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	39.7%	32.4%	34.4%	34.4%	0.0%	0.0%	33.5%	31.9%	34.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	44.6%	0.0%	36.8%	36.8%	0.0%		34.8%	33.2%	36.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	4.0%	12.1%	3.4%	3.4%	0.0%	0.0%	8.6%	8.0%	8.6%
IDP regulation financial viability indicators	-										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	42.3	32.7	39.8	39.8	39.8	-	289.5	259.6	277.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	16.3%	30.0%	25.7%	25.7%	0.0%	0.0%	29.4%	28.9%	28.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure										

		-	(0.8)	2.0	2.2	15.1	-	-	6.2	5.0	2.4
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References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Table 12: Performance Indicators (Support Table A8)

b. Measurable performance objectives and indicators

The Municipality's visionary framework is unpacked into objectives, Key Performance Indicators (KPIs) and targets for implementation. These are then broken up into Service Delivery and Budget Implementation Plans (SDBIPs) that reflect the detailed projects, which are then allocated a budget. This concept also includes the Municipality's performance management system, as the KPIs that are contained in the SDBIPs are monitored and reported on quarterly.

NC077 Siyancuma - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										

Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

NC077 Siyancuma - Entities measureable performance objectives

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Entity 1 - (name of entity)										
<i>Insert measure/s description</i>										
Entity 2 - (name of entity)										
<i>Insert measure/s description</i>										
Entity 3 - (name of entity)										
<i>Insert measure/s description</i>										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))
2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

The municipality's measurable performance objectives as reflected in Support Table SA7 are attached as annexure 2.

6. OVERVIEW OF BUDGET-RELATED POLICIES

Revenue Framework

Section 18 of the MFMA states that the budget can only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.

In addition, NT Circular 42 stipulates that the budget is to be managed in a full accrual manner, reflecting a transparent budget and accounting system approach.

The MFMA requires the municipality to adopt and implement a tariff policy. Council has approved such policies for all major tariff-funded services provided by the municipality, which are attached as annexures to this document.

Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source as per the requirement of the MFMA (Chapter 4, s17 (1)(a) & (3) (b)).

1. Revenue Related Policies

General Tariff Policy

The Municipal Systems Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy.

Credit Control and Debt Collection Policy

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

2. Budget related policies

The following budget related policies have been approved by Council, or have been reviewed / amended and / or are currently being reviewed / amended, in line with National Guidelines and Legislation.

Asset Management Policy

The objective of the Asset Management Policy is to prescribe the accounting and administrative policies and procedures relating to Property, Plant & Equipment (Fixed assets).

7. OVERVIEW OF BUDGET ASSUMPTIONS

The MTREF model, which enables economic forecasts and the eventual medium term fiscal framework, was compiled under harsh external economic conditions. Budgetary constraints and economic challenges meant that the Municipality had to apply a combination of cost-saving interventions and higher than headline CPI revenue increases to ensure an affordable, credible and sustainable budget over the 2012/2013 MTREF.

The biggest challenge this year more so than previous years, is that the Municipality needs to do more within its existing resource envelope. This was reiterated in the NT Budget Circular 51 for the 2012/2013 MTREF.

The Municipality faced the following challenges in preparing the 2012/2013 MTREF:

1. Lower interest earnings due to lower investment balances and lower interest rates on interest earned. Lower interest rates resulted in reduced interest earning on investments (lower than projected interest rate levels and cash balances versus fixed debt servicing obligations.)

The above reductions were applied in a differentiated manner to services, thereby giving effect to the Budget Prioritisation Model and in acknowledgement of the relative contributions of services to Council's core strategies of the IDP and other informants to formulating medium term operations and programmes.

Financial modeling

In addition to the above, further principles applied to the MTREF in determining the affordability envelope included:

- Higher than headline CPI revenue increases to the extent that they affect and support council's operational activities of relevant services.
- A 90% capital expenditure implementation rate was assumed, based on current spending patterns.
- Credible collection rates, based on collection achievements to date, incorporating improved success anticipated on selected revenue items.

Key Financial Indicators in the MTREF

Headline Consumer Price Index (CPI) – Inflation Outlook

Headline CPI projected over the MTREF is an average of CPI forecasts from various financial Institutions and the Bureau of Economic Research (BER).

The CPI increase for 2012/2013 budget was set at 6%; therefore tariffs were adjusted with the same percentage. CPI projection over the 2012 MTREF is for 2012/2013 and for the two outer years, thereby remaining within the boundaries of the inflation target range of 3% - 6%, but below the National Treasury's forecasted CPI of , and for 2012/2013, 2013/2014 and 2014/2015 respectively.

EXPENDITURE FRAMEWORK

Salaries, wages and related staff costs

The promulgation of the Salary and Wage Collective Agreement by the South African Local Government Bargaining Council (SALGGC) provided the general salary adjustment guidelines for the period 2011/2012 to 2013/2014. In 2012/2013 a salary increase of 8% was affected as per the regulation. The average salary increase over the MTREF was calculated using the methodology as prescribed in the regulation. The salary

increase for 2012/2013 was based on the average CPI for the period 1 February 2011 to 31 January 2012, projected figures were used for the months where CPI figures was not yet available, plus 1.5%. The average percentage increase for 2013/2014 was calculated on the same bases except that 2% was added to the average projected CPI figures. In the absence of a formal agreement for 2013/2014 the same methodology was applied as for 2012/2013.

General expenses

Items within the general expenses category were increased in proportion to the projected CPI increases over the MTREF.

Repairs and maintenance

The national Treasury Municipal Budget Circular 51 for the 2012/2013 MTREF stated, amongst other, that municipalities must “secure the health of their asset base (especially the municipality’s revenue generating assets) by increasing spending on repairs and maintenance”. The Siyancuma Municipality has identified this as an important budget requirement and has over the last three financial years consistently increased the investment in repairs and maintenance above CPI.

REVENUE FRAMEWORK

Service Growth

The current unstable economic climate prohibited prospects for any major service growth. Due to Electricity Tariffs.

Revenue growth parameters: Rates and trading services

To ensure an effective, efficient and well-run town, tariff increases are inevitable. The individual tariff increase proposals will be considered against the backdrop of the overall ‘package of tariffs’ approach adopted in compiling and evaluating the affordability of the tariffs and charges that make up the total municipal account.

The current financial predicament further impacted on the combination of revenue parameter increases required to ensure an affordable, balanced and sustainable budget over the 2012/2013 MTREF. After considering various scenario outcomes, the following revenue parameter increases were factored into the MTREF model for 2012/2013:

- *Rates:* With the backdrop of the current economic climate and other cost pressures negatively impacting the budget, the rates revenue was increased and the implementation of property rates for farmers. The implementation, although delayed last year, will be implemented fully for the next 4 financial years.
- *Electricity:* The initial Electricity revenue parameter was based on the draft Eskom Multi Year Price Determination (MYPD) that proposed an annual 35% increase over the period 2011/2012 – 2013/2014. To ensure affordability to the Siyancuma Municipality customers the municipality’s parameter increase were set at 20.38%, 7% lower than the Eskom proposed increase. As a consequence the utility will not be able to fund all infrastructure needs in 2011/2012 and a number of projects will therefore be postponed to future years.
- *Refuse Removal:* This revenue parameter increase was modeled at 8%; the increase is as a result of the impact of the higher disposal tariff and to ensure adequate service delivery levels in future.

- **Water and Sanitation:** The revenue parameter adjustment for both water and sanitation was modeled at 10% for 2012/2013. Even though the revenue parameter increase is higher than CPI, the Siyancuma Municipality had to increase these tariffs to justify/break even with the tariff imposed by Eskom.

Collection rate

In accordance with relevant legislation and national directives, the Siyancuma Municipality's projected revenue recovery rates are based on realistic and sustainable trends. The municipality is in the process of appointing debt collectors to ensure that old debt is recovered, thereby increasing revenue.

National Grants

Equitable Share

The Constitution provides that each sphere of government is entitled to an equitable share of revenue raised nationally to enable it to provide basic services and perform the functions allocated to it. The equitable division of revenue takes into account the functions assigned to each sphere under the Constitution and the capacity of each government to pay for these functions through own receipts and revenues.

The local government equitable share allocations supplement municipalities' own revenue sources for the provision of basic services to poor households within their areas of jurisdiction. The equitable share per municipality is calculated using the equation as set out below.

Grant = BS + D + I – R +/- C
Where
BS is the basic services component
D is the development component
I is the institutional support component
R is the revenue raising capacity correction
C is a correction and stabilization factor

Table 1: Equitable Share Equation

Initiatives are currently being pursued to assess the application of the equation for the Siyancuma Municipality to ensure that the allocation received by the Municipality is equitable and fair. The annual Division of Revenue Act (DORA) publishes the equitable share allocations. The following indicative allocations, as published in the 2012/2013 Division of Revenue Bill, were modeled:

2010/2011 - R25 637 000

2011/2012 - R30 953 000

2012/2013 - R34 289 000

2013/2014 - R35 543 000

Depreciation

Depreciation on new capital expenditure is calculated at a varying rate ranging between 9 and 20 years, depending on the nature of the asset. Actual depreciation was modeled on existing assets. An annual capital expenditure implementation rate of 100% was factored into the model.

Capital expenditure (External Financing Fund/EFF component)

During the 2012/2013 financial year the following projects were undertaken with regards to the capital budget.

For the 2012/2013 financial year, Council intends to spend an amount of R26 575 000 on the Capital Budget.

Capital Investment: Consequential operating impact

Council is in the process to look into a Capital Investment Programme. It is therefore assumed that these will be catered for via efficiency gains and the prioritization of existing operational resources.

8. OVERVIEW OF BUDGET FUNDING

Fiscal Overview

1. 2012/2013 to 2014/2015 projected financial performance

1.1 Operating Budget

The operating budget increased from R31 738 407 in 2010/2011 to R 123 544 956 in 2011/2012, R 131 228 424 in 2012/2013 and R 143 156 665 in 2013/2014 respectively. The growth is mainly attributable to:

- Repairs and Maintenance (Primary) of Infrastructure
- Higher than inflation increases to major expenditure components, such as the staff budget (salary level increases) and a rising interest payable commitment.
- Increase in Government Grants and Subsidies.

1.2 Capital Budget

The capital budget increased from R23 599 000 in 2011/2012 to R 26 575 00 in 2012/2013. The Draft 2012/2013 3-year capital budget is based on the cash availability in accordance with the DMTN Programme. Siyancuma Municipality will fund R410 000 from Internally Generated Funds for the 2011/2012 financial year towards the Capital Budget.

2. Medium Term Outlook: 2011/2012 to 2012/2013

Operating Budget

The ensuing table reflects the increases in the operating budget in the medium term:

	2011/2012 R'000	2012/2013 R'000	2013/2014 R'000
Operating Budget	R123 545	R131 228	R143 157

Table 18: Medium Term Operating Budget

Capital Budget

The ensuing table reflects the capital budget as well as the funding sources in the medium term:

	2011/2012 R'000	2012/2013 R'000	2013/2014 R'000
Capital Budget	17 184 000	24 312	10 275
Funded as follows:			
National Grant Funding	22 932	21 440	35 220
Provincial Grant Funding			
Other Grant Funding			
Borrowings			
Other Municipality Funding	410		

Table 19: Medium Term Capital Budget and Funding Sources

The funding sources listed below are appropriated towards the following major projects on the capital budget:

National Grant funded

- Electricity Connections
- Water – Water Reticulation

3. Sources of funding

Rates, tariffs and other charges

Property Tax Rates

The proposed property rates are to be levied in accordance with existing Council policies unless otherwise indicated and both the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

Property rates were calculated on the new valuation role and the net result on the tax payers account was used as a base line for the determination of the relevant tariffs per category.

The proposed average rates increase is 5.7% for residential and other.

Farms/Plots decreased by 90.80%. This tariff was negotiated by representatives of both Agri-Douglas and Siyancuma Municipality.

Property tax rates are based on values indicated in the General Valuation Roll 2009/2010 (GV). The Roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through supplemental Valuation Rolls. All values are as at the date of the GV, being July 2010 – 30 June 2011.

Rebates and concessions are granted to certain categories of property usage and/or property owner.

The definitions and listing of categories are reflected in the Draft Rates Policy attached as Annexure 7.

Water and Sanitation

The proposed Water and Sanitation Tariffs for 2012/2013 are consistent with National Policy on the provision of free basic services, the National Strategic Framework for Water and Sanitation and with Council's Indigent relief measures, Rates and Tariff Policies and Equitable Share Framework. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service. The multi-year programme for the eradication of bucket toilets (150) still in service in the informal settlements as well as the provision of an acceptable basic level of sanitation service to these settlements is still on track for achieving by 2014/2015.

The progressive nature of the existing domestic stepped tariff structure both for water and sanitation is pro-poor and allows for the needs of the indigent.

In total the proposed Tariffs and Rates are cost-reflective and will provide the income to cover the costs of Water and Sanitation during the 2012/2013 financial year.

The consumptive tariff details are reflected in Annexure 5.

Electricity

The proposed revisions to the tariffs have been formulated in accordance with the Municipality of Siyancuma Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act (MSA) as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

The Electricity Regulation Act requires that proposed revisions to the electricity consumption based tariffs be submitted to the Regulator for approval prior to implementation. Provisional approval will therefore be requested with the express proviso that any alterations required by Council will be submitted to the Regulator as soon as possible.

Guidelines for the municipal electricity tariff increase were used as stipulated in Circular 51 issued by National Treasury.

Solid Waste Management

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include collection fees, disposal fees, compost sales, clearance of illegal dumping on private properties and other ad hoc services. It is proposed that the Collections Tariffs (Consumptive and Sundry) increase by 8%.

In addition, the following New/Changed Tariffs and amendments to the existing Tariff Policy are proposed:

Tariffs List/and Other Charges

Council is permitted to levy rates, tariffs, fees and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance management Act, No. 56 of 2003, 17 (a)(ii).

The Tariff List is attached as Annexure 6 and contains all levies, rates and service charges determined for all functions or services performed by the municipality for which a charge is made.

A growth parameter of 10% was applied to all the miscellaneous tariffs. Any substantial deviations were motivated in the reports to the tariff schedules as considered by Budget Steering Committee.

All Levies, Rates and Service Charges are determined in compliance with:

Local Government Municipal Property Rates Act 2004

Municipal Finance Management Act 56 of 2003

Local Government Municipal Systems Act 32 of 2000

4. Investments

Monetary investments by type

NC077 Siyancuma - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
<u>Parent municipality</u>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits – Bank		-	56	6,613	6,943	6,943		7,290	7,654	8,037
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit – Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements – Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-

Municipality sub-total	1	-	56	6,613	6,943	6,943	-	7,290	7,654	8,037
<u>Entities</u>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits – Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit – Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements – Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-

Consolidated total:		–	56	6,613	6,943	6,943	–	7,290	7,654	8,037
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References

1. *Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)*

Table 20: Monetary investments by type (Support Table A15)

Monetary investments by maturity date

NC077 Siyancuma - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	1	Yrs/Months			Rand thousand	
Parent municipality						
Municipality sub-total						-
Entities						

Entities sub-total					-	-
TOTAL INVESTMENTS AND INTEREST	1					-

References
 1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
 2. List investments in expiry date order

Table21: Monetary investments by maturity date (Support Table A16)

5. Long – Term investments and loans

The budget assumes the following new long-term borrowings:

YEAR	EXPECTED DATE OF ISSUE	AMOUNT
2011/2012		
2012/2013		
2013/2014		
2014/2015		

6. Cash backed accumulated surplus

Council is in the process to look into cash backed accumulated surpluses/reserves.

7. Grant allocations

National Allocations

The table below reflects the grant allocations in terms of the 2011 Division of Revenue Bill that have been included in this medium term budget:

	2011/2012	2012/2013	2013/2014
Library development	R 50 000.00	R 61 000.00	R 66 000.00
Library transformation	R 290 000.00	R 310 000.00	R 310 000.00
Total	R 340 000.00	R 371 000.00	R 376 000.00

	2011/2012	2012/2013	2013/2014
Library usage promotional programme	R 3 000.00	R 4 000.00	R 4 000.00
Library current awareness service	R 7 000.00	R 10 000.00	R 10 000.00
Total	R 10 000.00	R 14 000.00	R 14 000.00

Overall Total	R 350 000.00	R 385 000.00	R 390 000.00
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	2011/2012	2012/2013	2013/2014
Equitable share	R 30 952 000.00	R 34 289 000.00	R 36 543 000.00
Total	R 30 952 000.00	R 34 289 000.00	R 36 543 000.00

	2011/2012	2012/2013	2013/2014
Special contribution towards Councillor Remuneration	R 774 000.00	R 818 000.00	R 865 000.00
Total	R 774 000.00	R 818 000.00	R 865 000.00

Overall Total	R	32 076 000.00	R	35 492 000.00	R	37 798 000.00
		2011/2012		2012/2013		2013/2014
MIG	R	16 910 000.00	R	20 561 000.00	R	21 692 000.00
Total	R	16 910 000.00	R	20 561 000.00	R	21 692 000.00
		2011/2012		2012/2013		2013/2014
EPWP	R		R	-	R	-
Total	R		R	-	R	-
		2011/2012		2012/2013		2013/2014
FMG	R	1 450 000.00	R	1 500 000.00	R	1 750 000.00
Total	R	1 450 000.00	R	1 500 000.00	R	1 750 000.00
		2011/2012		2012/2013		2013/2014
MSIG	R	790 000.00	R	800 000.00	R	900 000.00
Total	R	790 000.00	R	800 000.00	R	900 000.00
Overall Totals	R	51 226 000.00	R	58 353 000.00	R	62 140 000.00

Table 23: National Allocations

9. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
EXPENDITURE:	1									
- Operating expenditure of Transfers and Grants										
National Government:		17		25				29	33	36
799			-	818	57 437	57 437	-	344	466	239
Local Government Equitable Share		15		25				27	30	33
738				818	31 764	31 764		044	816	539
Finance Management		718			1 450	1 450		500	750	750
343		1			790	790		800	900	950
Municipal Systems Improvement					17 981	17 981				
Water Services Operating Subsidy					4 952	4 952				
Integrated National Electrification Programme					500	500				
Other transfers/grants [insert description]										
Provincial Government:		969	-	27	-	-	-	-	-	-
Health subsidy		112		27						
Sport and Recreation		857								
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		18		25	57 437	57 437	-	29	33	36
768			-	845				344	466	239
Capital expenditure of Transfers and Grants										

National Government:	4		16				21	21	22
	818	–	033	22 663	–	–	113	639	890
Municipal Infrastructure Grant (MIG)	4		14				20	21	22
	818		300	16 910			513	639	890
Regional Bulk Infrastructure			1						
Regional Bulk Infrastructure			733	2 694			600		
				1 988					
				1 071					
Other capital transfers/grants [insert desc]									
Provincial Government:	–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]									
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	–	–	–	–	–	–	–	–	–
[insert description]									
Total capital expenditure of Transfers and Grants	4		16				21	21	22
	818	–	033	22 663	–	–	113	639	890
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	23		41				50	55	59
	586	–	878	80 100	57 437	–	457	105	129

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

Table 25: Expenditure on Allocations and grant programmes(Support Table A19)

10. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Siyancuma Municipality does not make allocations and grants to other institutions.

11. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY CASH FLOWS	Budget Year 2012/13	Medium Term Revenue and Expenditure Framework
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R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source													1		
Property rates	630	630	630	630	630	630	630	630	630	630	630	626	556	231	807
Property rates - penalties & collection charges	238	238	238	238	238	238	238	238	238	238	238	235	853	892	005
Service charges - electricity revenue	946	946	946	946	946	946	946	946	946	946	946	948	354	989	738
Service charges - water revenue	871	871	871	871	871	871	871	871	871	871	871	873	454	186	969
Service charges - sanitation revenue	393	393	393	393	393	393	393	393	393	393	393	393	716	046	399
Service charges - refuse revenue	384	384	384	384	384	384	384	384	384	384	384	378	602	924	269
Service charges - other												-			
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	2	90	96	103
Interest earned - external investments	22	22	22	22	22	22	22	22	22	22	22	18	260	260	260
Interest earned - outstanding debtors	31	31	31	31	31	31	31	31	31	31	31	29	370	400	430
Dividends received												-			
Fines												-			
Licences and permits	20	20	20	20	20	20	20	20	20	20	20	21	241	258	276
Agency services												-			
Transfer receipts - operational	441	441	441	441	441	441	441	441	441	441	441	443	294	466	239
Other revenue	5	5	5	5	5	5	5	5	5	5	5	7	62	67	72
Cash Receipts by Source	989	989	989	989	989	989	989	989	989	989	989	973	852	815	567
Other Cash Flows by Source															
Transfer receipts - capital												-			
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE												-			
Short term loans												-			
Borrowing long term/refinancing															

Increase (decrease) in consumer deposits												-			
Decrease (Increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	⁷ 989	⁷ 989	⁷ 989	⁷ 989	⁷ 989	⁷ 989	⁷ 989	⁷ 989	⁷ 989	⁷ 989	⁷ 989	⁷ 973	⁹⁵ 852	¹⁰⁴ 815	¹¹² 567
Cash Payments by Type															
Employee related costs	² 922	² 922	² 922	² 922	² 922	² 922	² 922	² 922	² 922	² 922	² 922	² 916	³⁵ 058	³⁶ 810	⁴⁵ 642
Remuneration of councillors	218	218	218	218	218	218	218	218	218	218	218	217	² 615	² 746	² 938
Finance charges	37	37	37	37	37	37	37	37	37	37	37	43	450	473	563
Bulk purchases - Electricity	² 019	² 019	² 019	² 019	² 019	² 019	² 019	² 019	² 019	² 019	² 019	² 016	²⁴ 225	²⁵ 436	³⁰ 523
Bulk purchases - Water & Sewer	54	54	54	54	54	54	54	54	54	54	54	56	650	683	730
Other materials	623	623	623	623	623	623	623	623	623	623	623	618	⁷ 471	⁷ 258	⁷ 811
Contracted services	259	259	259	259	259	259	259	259	259	259	259	258	³ 107	³ 262	³ 490
Transfers and grants - other municipalities												-			
Transfers and grants - other												-			
Other expenditure	¹ 674	¹ 674	¹ 674	¹ 674	¹ 674	¹ 674	¹ 674	¹ 674	¹ 674	¹ 674	¹ 674	¹ 675	²⁰ 089	²¹ 098	²³ 189
Cash Payments by Type	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 799	⁹³ 665	⁹⁷ 766	¹¹⁴ 886
Other Cash Flows/Payments by Type															
Capital assets												-			
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 806	⁷ 799	⁹³ 665	⁹⁷ 766	¹¹⁴ 886
NET INCREASE/(DECREASE) IN CASH HELD	183	183	183	183	183	183	183	183	183	183	183	174	² 187	⁷ 050	⁽² 319)

Cash/cash equivalents at the month/year begin:		183	366	549	732	915	098 ¹	281 ¹	464 ¹	647 ¹	830 ¹	013 ²	–	187 ²	237 ⁹
Cash/cash equivalents at the month/year end:	183	366	549	732	915	098 ¹	281 ¹	464 ¹	647 ¹	830 ¹	013 ²	187 ²	187 ²	237 ⁹	917 ⁶

References

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure.

Table 26: Monthly targets for revenue and cash flow (Support table A30)

12. COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Disclosure of Salaries, Allowances & Benefits 1.	Re f	No	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Rand per annum								
<u>Councillors</u>	3							
Speaker	4							-
Chief Whip								-
Executive Mayor								-
Deputy Executive Mayor								-
Executive Committee								-
Total for all other councillors								-
Total Councillors	8	-	-	-	-			-
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)								-
Chief Finance Officer								-
head corporate services								-
head technical services								-
								-
<i>List of each official with packages >= senior manager</i>								-
								-
								-

[illegible]

								-
								-
								-
								-
Total for municipal entities	8	-	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		-	-	-	-	-	-	-

References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22

Table 27: Salaries, allowances & benefits (political office bearers/councillors/senior managers)(Supprt Table A23)

Summary of Employee and Councillor remuneration	R ef	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
-	1	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		463 ¹	-	760 ¹	764 ¹					

Pension and UIF Contributions	26							
Medical Aid Contributions	14							
Motor Vehicle Allowance	450							
Cellphone Allowance	112							
Housing Allowances								
Other benefits and allowances								
Sub Total - Councillors	065²	-	760¹	764¹	-	-	-	-
% increase		(100.0%)	-	0.2%	(100.0%)	-	-	-
<u>Senior Managers of the Municipality</u>								
Basic Salaries and Wages	212 ¹			902 ¹				
Pension and UIF Contributions	246			339				
Medical Aid Contributions	87							
Overtime								
Performance Bonus	24			46				
Motor Vehicle Allowance	809			590				
Cellphone Allowance	150							
Housing Allowances								
Other benefits and allowances								
Payments in lieu of leave								
Long service awards								
Post-retirement benefit obligations								
Sub Total - Senior Managers of Municipality	528²	-	-	877²	-	-	-	-
% increase		(100.0%)	-	-	(100.0%)	-	-	-
<u>Other Municipal Staff</u>								
Basic Salaries and Wages	194 ¹⁰		953 ¹⁵	575 ¹⁵				
Pension and UIF Contributions	858 ¹		463 ²	619 ²				
Medical Aid Contributions								

			121		998	205					
Overtime			828	-	969	765					
Performance Bonus					1	1					
Motor Vehicle Allowance	3		2		028	018					
Cellphone Allowance	3				3						
Housing Allowances	3				024	928					
Other benefits and allowances	3					70					
Payments in lieu of leave	3		386		403	397					
Long service awards	3		282		482	582					
Post-retirement benefit obligations	6										
Sub Total - Other Municipal Staff			17		25	23					
			327	-	320	159	-	-	-	-	-
% increase	4			(100.0%)	-	(8.5%)	(100.0%)	-	-	-	-
Total Parent Municipality			21		27	27					
			920	-	080	800	-	-	-	-	-
				(100.0%)	-	2.7%	(100.0%)	-	-	-	-
Board Members of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance	3										
Cellphone Allowance	3										
Housing Allowances	3										
Other benefits and allowances	3										
Board Fees											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations	6										
Sub Total - Board Members of Entities			-	-	-	-	-	-	-	-	-
% increase	4										

			-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-

TOTAL SALARY, ALLOWANCES & BENEFITS		21 920	-	27 080	27 800	-	-	-	-	-
% increase	4		(100.0%)	-	2.7% 26	(100.0%)	-	-	-	-
TOTAL MANAGERS AND STAFF	5	19 855	-	25 320	26 036	-	-	-	-	-

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid

Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

Table 28: Councillor and board member allowances and employee benefits (Support Table A22)

13. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL DEPARTMENTS

In terms of Section 53 (1) (c) (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following –

- (a) Projections for each month of

- Revenue to be collected, by source; and
 - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed.

The Executive Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the budget. In addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

The SDBIP gives effect to the Integrated Development Plan and the budget of the municipality. It is an expression of the objectives of the Municipality in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2011 to 30 June 2012 (the Municipality's financial year). It includes the service delivery targets and performance indicators for each quarter which should be linked to the performance agreements of senior management. It therefore facilitates oversight over financial and non-financial performance of the municipality and allows the Municipal Manager to monitor the performance of the Executive Directors, the Mayor/Council to monitor the performance of the Municipal manager, and the Community to monitor the performance of the Municipality Government.

The SDBIP for the 2012/2013 financial year will be approved by the Executive Mayor on the 30th of June 2012 following approval of the Budget.

14. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

NC077 Siyancuma - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework			Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Total Contract Value
		Total	Original Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
-														
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													

Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)

3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

Table 29: Contracts having future budgetary implications (Support Table A33)

15. ANNUAL BUDGETS AND SERVICE DELIVERY AGREEMENTS (SDA) – MUNICIPAL ENTITIES

None.

16. RECONCILIATION OF IDP STRATEGIC OBJECTIVES AND CAPITAL BUDGET

Strategic Objective	Goal I	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand		A										
		B										

		C
		D
		E
		F
		G
		H
		I
		J
		K
		L

		M								
		N								
		O								
		P								
Allocations to other priorities			3							
Total Capital Expenditure			1	-	-	-	-	-	-	-

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure

2. Goal code must be used on Table SA36

3. Balance of allocations not directly linked to an IDP strategic objective

Table 34: Reconciliation of IDP strategic objectives and budget (capital expenditure) (Support Table A6)

17. LEGISLATION COMPLIANCE STATUS

1. Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

- **Budget and Treasury Office**

A budget office and Treasury office has been established in accordance with the MFMA.

- **Budgeting**

The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.

- **Financial Reporting**

100% compliance with regards to monthly, quarterly and annual reporting to the Mayor, Council, Provincial and National Treasury.

- **Annual Report**

The annual report is prepared in accordance with the MFMA and National Treasury requirements.

- **Municipal Entities**

No municipal entities.

- **Internship Programme**

Siyancuma is participating in the Municipal Financial Management Internship Programme and has employed three interns undergoing training in various sections of the finance department.

18. NATIONAL TREASURY DIRECTIVES

Key issues addressed in National Treasury Circular 51: Municipal Budget Circular for the 2011 MTREF – refer Annexure 21

1. Municipalities' role in employment creation

Underemployment, precarious employment (in the informal sector) and unemployment will continue to grow, putting further pressure on wage levels that are under stress, given cost of living increases and inflation generally. Hence, the percentage of the population living in poverty will continue to increase faster than the population finding employment at a living wage.

A major challenge has been to facilitate and encourage semi and unskilled labour absorptive growth.
Expanded Public Works Programme (EPWP):

The creation of short term job opportunities through the EPWP is identified as one of the top 20 Strategic Priorities (indicator 1A.4) in the Siyancuma Municipality's Integrated Development Plan (IDP).

A corporate job opportunity target is set for the medium term cycle and revised annually. This target is proportionately distributed through implementing line departments to ensure service delivery and capital projects create EPWP jobs wherever appropriate.

The annual targets for the current medium term cycle are as follows:

- 2010/2011 : None
- 2011/2012 : 100 EPWP Job Opportunities
- 2012/2013 : None

The maximization of labour intensive methods is driven through the SCM processes within the Municipality. Job creation targets are specified in tender documents where possible to regulate the use of temporary labour.

2. Procurement reforms and fighting corruption

Corruption

Siyancuma has a centralized procurement department which operates in accordance its Supply Chain Management (SCM) policies. With regard to the procurement of goods and services up to a value of R 200 000, the buyers are placed in commodities and are rotated on an annual basis.

Compliance

The Municipality's SCM policy is drafted in accordance with legislation. The supply chain processes are linked to this policy and each process is followed and monitored through regular internal, external and ISO audits. The SCM department does not specify nor dictate to the requisitioning line department as to what the specifications of any product are. The SCM function is an independent enabler in the process to ensure fairness and transparency.

3. Eskom bulk tariff increases

The proposed revisions to the tariffs have been formulated in accordance with the Municipality of Siyancuma Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act (MSA) as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

The Electricity Regulation Act requires that proposed revisions to the electricity consumption based tariffs be submitted to the Regulator for approval prior to implementation. Provisional approval will therefore be requested with the express proviso that any alterations required by Council will be submitted to the Regulator as soon as possible.

Guidelines for the municipal electricity tariff increase were used as stipulated in Circular 51 issued by National Treasury.

4. Water tariffs must be cost reflective

The municipality's water tariffs are cost reflective to the extent that the current cost of water is covered by current revenue (taking due cognizance of the cross-subsidization from sanitation at the moment). The water tariffs do not, however, allow for the cost of future infrastructure, as no or minimal provision is made for reserves to fund future projects. Changes to the pricing strategy approach, i.e. to spread the impact on consumers over a period of time, will be dependent on the overall approach of the Municipality. The water tariffs are already structured to protect basic levels of service and to encourage efficient and sustainable consumption.

5. Implementation of the Municipal Property Rates Act

The ratios prescribed in the regulations have been complied with.

6. Providing clean water and managing waste water

The Municipality of Siyancuma performs the roles of both the Water Service Authority and Water Service Provider i.e. actually manages the provision of drinking water and treatment of wastewater.

Blue Drop Status

The Municipality participates in the blue drop status and the compliance thereof. The Municipality is in the process of submitting repairs and maintenance plans in addition to the above. In most instances the Municipality is complying with the water quality standards.

Green Drop Status

This is not yet applicable to our Municipality.

Brief outline of the problems

In both instances the biggest problem relates to inadequate asset management, i.e. the refurbishment of aging infrastructure and maintenance of existing infrastructure. The problem is further exacerbated by the expanding developments which are placing further pressure on the existing infrastructure. Both asset management and manpower capacity are impacted upon by budgetary constraints.

Unallocated ward allocations

None.

7. New office buildings

The municipality has no new office buildings on its capital budget for the MTREF period.

8. Phasing in of formats and tables – Repairs and Maintenance

NT Circular 48 stipulated that repairs and maintenance ‘must be broken-up into component expenditure types for the 2011/2012 budget’ and not reported on as a subjective category. This was further emphasized in Circular 51, section 6.3.3.

In order for the municipality to be compliant, a rework of the repairs and maintenance subjective category had to be undertaken. A new allocation structure was created to allocate the budgetary provision by cost element or ‘component expenditure’ for the 2012/2013 budget process.

19. APITAL EXPENDITURE DETAILS

Municipal Vote/Capital project R thousand	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
transporter transporter											360					

ldv											170					
vehicle											660					
computers											350					
office equipment											-					
furniture											60					
water											18					
electricity											201					
											4					
											952					
Parent Capital expenditure	1											-	-	-		
Entities: <i>List all capital projects grouped by Entity</i>																
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure										-	-	-	-	-		
Total Capital expenditure										-	24	-	-	-		
										-	753	-	-	-		

Table 35: Capital budget detail (Support Table A36)

Note: Refer to Annexure 1 for detail of all 2011/2012 capital projects.

20. OTHER SUPPORTING DOCUMENTS

cription	R ef	Vote 1 - MUNCI PAL MANA GER	Vote 2 - COUN CIL	Vote 3 - CORPO RATE SERVI CES	Vote 4 - FINAN CE	Vote 5 - INTER NS	Vote 6 - PROPE RTIES	Vote 7 - COMM UNITY SERVI CES	Vote 8 - TRAF FIC	Vote 9 - HOLID AY RESO RT	Vote 10 - SEWE RAGE AND SANIT ATION	Vote 11 - DISAST ER MANAG EMENT	Vote 12 - CLEAN SING	Vote 13 - PUBLI C WORK S ROAD S	Vote 14 - ELECT RICITY	Vote 15 - WATE R	Total
R thousand	1																
Revenue By Source																	
Property rates					14 853												14 853
Property rates - penalties & collection charges																	-
Service charges - electricity revenue															23 354		23 354
Service charges - water revenue																10 310	10 310
Service charges - sanitation revenue											4 716						4 716
Service charges - refuse revenue													4 602				4 602
Service charges - other																	-
Rental of facilities and equipment							90	129		120							339
Interest earned - external investments					260												260
Interest earned - outstanding debtors					370												370
Dividends received																	-
Fines								0	4 600								4 600
Licences and permits					241												241
Agency services																	-
Other revenue				213	15			34			1				27	178	468
Transfers recognised - operational																	

		1 400		27 844	1 500											30 744
Gains on disposal of PPE																–
Total Revenue (excluding capital transfers and contributions)	–	1 400	213	43 583	1 500	90	163	4 600	120	4 717	–	4 602	–	382 ²³	10 488	94 856
Expenditure By Type	–															
Employee related costs	2 387		501 ⁵	8 399	709	634	2 415	741		2 638	142	3 018	4 445	372 ²	1 654	35 056
Remuneration of councillors		2 615														2 615
Debt impairment				8 000												8 000
Depreciation & asset impairment	76	121	175	131	–	568	597	302	605	2 278	–	33	3 635	794	431	9 745
Finance charges		33	74	33				49		59			163		15	426
Bulk purchases														225 ²⁴	650	24 875
Other materials																–
Contracted services			107 ³	1 080												4 187
Transfers and grants		60								2 752		2 191		422 ¹	872	7 297
Other expenditure	165	992	297 ³	10 839	791	463	945	730	210	905	410	621	2 084	232 ²	2 506	27 189
Loss on disposal of PPE																–
Total Expenditure	2 627	3 821	154 ¹²	28 481	1 500	665 ¹	3 958	1 822	815	8 631	552	5 863	10 327	046 ³¹	6 127	119 390
Surplus/(Deficit)	(2 627)	(2 421)	941 ⁽¹¹⁾	15 102	–	576 ⁽¹⁾	(3 795)	2 778	(695)	(3 915)	(552)	(1 261)	(10 327)	664 ⁽⁷⁾	4 361	(24 533)
Transfers recognised - capital		82	130	130				250						250	25 513	26 355
Contributions recognised - capital																–
Contributed assets																–
Surplus/(Deficit) after capital transfers & contributions	(2 627)	(2 339)	811 ⁽¹¹⁾	15 232	–	576 ⁽¹⁾	(3 795)	3 028	(695)	(3 915)	(552)	(1 261)	(10 327)	414 ⁽⁷⁾	29 874	1 822

Table 36: Financial Performance Budget (Revenue source/expenditure type & dept.) (Support Table A2)